

EXAMPLE D

Date, 2015

Chief / President / Council

Address

xxx xxx

xxx xxx

Dear Chief / President / Council

Re: Audit of 2015 Consolidated Financial Statements

During the course of our audit of the financial statements for the year ended March 31, 2014, we identified some matters which may be of interest to management. The objective of an audit is to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit is not specifically designed to identify all matters that may be of interest to management in discharging its responsibilities. In addition, an audit cannot be expected to disclose all material fraud, or errors and other irregularities, and it is not designed to express an opinion as to whether the systems of internal control established by management have been properly designed or have been operating effectively.

As a result of our observations, we have outlined below deficiencies in internal control that, in our opinion, are significant. A deficiency or combination of deficiencies in internal control is one that, in our professional judgment, is of sufficient importance to merit the attention of those charged with governance. Minor matters were discussed verbally with your staff.

Observation and Possible Effect	Recommendation	Management Response
There is a lack of segregation of duties and no formal approval on the bank reconciliations.	The administrator should approve the bank reconciliation and this will lower the high risk associated with the segregation of duties issues.	Recommendations will be implemented in the new year.

We have discussed the matters in this report with **XXX XXX** and received comments thereon. We would like to express our appreciation for the co-operation and assistance which we received during the course of our audit from all of the finance staff.

We would be pleased to discuss with you further any matters mentioned in this report at your convenience. This communication is prepared solely for the information of management and is not intended for any other purpose. We accept no responsibility to any third party who uses this communication.

Yours truly,

**ACCOUNTANTS &
ACCOUNTANTS LLP**